

EXECUTIVE SUMMARY

Third Quarter 2025 Compared to Third Quarter 2024

The financial results for the third quarter of 2025 showed an increase in income before transfers of \$41.2 million as compared to the same period last year.

Operating revenue increased \$111.9 million over the same period in 2024 primarily due to higher fuel and demand rate revenues. This was primarily due to higher fuel costs in the 3rd quarter and the ability to recover these outside of the rate freeze. Other increases were caused by higher billed demand usage (34%). The impact was primarily due to the new rate structure for retail customers, which began charging retail customers based on demand usage starting April 1, 2025. Further increases were provided by Cook regulatory asset revenues (\$18.4 million) and higher industrial sales (\$14.9 million).

Operating expense for the third quarter of 2025 increased \$55.0 million over the same period in 2024 primarily due to higher fuel and purchased power costs due to higher loads in July 2025 and higher coal and natural gas prices. Also contributing to the increase was the net effect of amortizing the Cook settlement regulatory asset in the current quarter and recording credits from the Cook settlement regulatory asset in the same quarter last year. Further increases were provided by higher administrative and general expenses and higher transmission expenses.

Interest expense increased \$27.6 million due primarily to the net effect of amortizing the Cook settlement regulatory asset in the current quarter and the recording of credits from the Cook settlement regulatory asset in the same quarter last year. Also, contributing to the increase was higher interest on long-term debt from the 2025 A&C new money bond issues in March 2025.

Other revenues increased \$11.9 million primarily due to higher nuclear sales, higher interest income and the recording of our patronage balance in a member-owned electrical supplier. This was offset by higher nuclear amortization and lower TEA gains.

Combined Statements of Net Position
As of September 30, 2025 and December 31, 2024
Millions of Dollars
Unaudited

	September 30, 2025	December 31, 2024
Current assets		
Unrestricted funds	\$535.9	\$406.4
Restricted funds	844.6	376.9
Fuel inventory	84.3	117.7
Other current assets	670.9	566.1
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Total current assets	2,135.7	1,467.1
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Noncurrent assets		
Total utility plant - net	5,680.2	5,384.8
Cost to be recovered	216.8	213.8
Regulatory assets-OPEB	144.9	144.9
Regulatory assets-nuclear	3,453.2	3,529.1
Regulatory assets - Cook Settlement Exceptions	498.9	517.1
Other noncurrent assets	328.1	313.0
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Total noncurrent assets	10,322.1	10,102.7
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Deferred outflows of resources	694.3	757.7
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Total assets & deferred outflows	\$13,152.1	\$12,327.5
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Current liabilities		
Current debt and interest	\$422.0	\$343.7
Other current liabilities	310.4	307.1
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Total current liabilities	732.4	650.8
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Noncurrent liabilities		
Net Pension liability	279.7	279.6
Net OPEB liability	164.1	161.2
Asset retirement obligation liability	457.1	504.2
Long-term debt-net	8,605.8	7,961.6
Other noncurrent liabilities	168.4	136.5
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Total noncurrent liabilities	9,675.1	9,043.1
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Deferred inflows of resources	545.2	551.0
Total net position	2,199.4	2,082.6
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Total liabilities & deferred inflows	\$13,152.1	\$12,327.5
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Combined Statements of Revenues, Expenses and Changes in Net Position

Millions of Dollars

Unaudited

	<i>Current Quarter</i> Jul 1 - Sep 30		<i>12 Months to Date</i> Oct 1 - Sep 30	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$663.1	\$551.2	\$2,225.9	\$1,895.6
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O&M expense	432.6	381.0	1,636.8	1,342.3
Depreciation & sums in lieu of taxes	70.6	67.2	282.6	275.9
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Operating expense	503.2	448.2	1,919.4	1,618.2
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Operating Income	159.9	103.0	306.5	277.4
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Nonoperating revenues (expenses)				
Interest charges	(96.0)	(68.4)	(369.5)	(300.5)
Other revenues (expenses)	15.7	3.8	33.0	17.2
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Total nonoperating revenues (expenses)	(80.3)	(64.6)	(336.5)	(283.3)
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Income before transfers	79.6	\$38.4	(\$30.0)	(\$5.9)
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